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## NEWS RELEASE

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FOR IMMEDIATE RELEASE

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### **THIRD DEFENDANT INDICTED IN STOCKTON LOAN FRAUD SCHEME**

SACRAMENTO - United States Attorney McGregor W. Scott announced today that a federal grand jury returned a superseding indictment today charging IFTIKHAR AHMAD, age 36, MANPREET SINGH, age 24, and JOSE SERRANO, age 44, each from Stockton, California, with mail fraud, and charging IFTIKHAR AHMAD and JOSE SERRANO with money laundering. IFTIKHAR AHMAD and MANPREET SINGH were previously arrested on a criminal complaint filed in connection with this investigation on August 16, 2007, were released on bond, and were indicted on August 30, 2007. JOSE SERRANO was arrested on a criminal complaint on October 16, 2007, and was ordered detained.

The case is the product of an extensive investigation conducted by the Federal Bureau of Investigation, Internal Revenue Service-Criminal Investigation (IRS-CI), and the California Franchise Tax Board.

According to Assistant United States Attorneys Benjamin B. Wagner and Courtney J. Linn, who are co-prosecuting the case, the indictment charges that from July 2003 through October 2005 the defendants engaged in a scheme to defraud Long Beach Mortgage, a wholesale lender, in connection with residential real property purchases primarily in the Stockton, California area. Between July 2003 and January 2005 IFTIKHAR AHMAD, through a company called I & R Investment Properties LLC, fraudulently sold (and in one instance resold) ten residential real properties, obtaining in excess of \$1.5 million in loan proceeds. In each of the transactions the purchaser financed the property with money borrowed from Long Beach Mortgage.

As part of the scheme, IFTIKHAR AHMAD utilized straw purchasers that he, JOSE SERRANO and others brought to the transactions. In two transactions conducted in September 2003 and November 2003, loans were obtained using the identifying information of an identify theft victim. In several transactions, IFTIKHAR AHMAD surreptitiously provided the purchaser's down payment, and paid JOSE SERRANO more than \$45,000 for recruiting purchasers, including straw purchasers. MANPREET SINGH was paid at least \$22,300 for her participation as a straw purchaser in connection with two real property transactions.

The loan applications included false statements. In several of the transactions, the loan application misrepresented the borrower's employment and monthly income. False identifying information and

documents were supplied in connection with some of the transactions. The indictment further alleges that IFTIKHAR AHMAD engaged in monetary transactions involving more than \$10,000 in fraud proceeds, and engaged in money laundering by conducting financial transactions to promote the carrying on of fraudulent activity.

“Mortgage fraud is an ever-growing concern in our region and across the nation. This case underscores the commitment of this office, as well as the FBI and IRS-Criminal Investigation to ferret out mortgage fraud in our communities and pursue those who are responsible,” stated United States Attorney Scott.

The maximum penalties for mail fraud is 30 years in prison and a fine of up to \$1,000,000, if the fraud affects a financial institution. The maximum penalty for engaging in monetary transactions involving more than \$10,000 in crime proceeds is 10 years in prison and a fine of \$250,000, and the maximum penalty for money laundering is 20 years in prison and a fine of up to \$500,000 or twice the value of the money laundered, which ever is greater. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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